

Senate File 520 - Introduced

SENATE FILE 520

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 463)

(SUCCESSOR TO SSB 1154)

A BILL FOR

1 An Act providing for an electric or natural gas vehicle
2 facility tax credit and including effective date and
3 applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 422.11Y Electric or natural gas
2 vehicle facility tax credit.

3 1. The taxes imposed under this division, less the credits
4 allowed under section 422.12, shall be reduced by an electric
5 or natural gas vehicle facility tax credit. In order to be
6 eligible to claim the tax credit, the taxpayer must comply with
7 this section and rules adopted by the department necessary to
8 administer and enforce this section.

9 2. The taxpayer must construct, install, and place in
10 service an electric or natural gas vehicle facility which
11 serves a motor vehicle that is designed by a manufacturer to
12 operate using one of the following:

13 a. Compressed natural gas.

14 b. Electricity.

15 3. An electric or natural gas vehicle facility is limited
16 to infrastructure, equipment, or machinery used to store,
17 dispense, dry, and meter compressed natural gas or electricity.
18 For compressed natural gas, it may include pipes, compressors,
19 dryers, or vaporizers. For electricity, it may include
20 charging equipment, infrastructure, or batteries.

21 4. The amount of the electric or natural gas vehicle
22 facility tax credit equals thirty percent of the cost to the
23 taxpayer of purchasing the infrastructure, equipment, or
24 machinery and thirty percent of the cost to the taxpayer of
25 installing the infrastructure, equipment, or machinery.

26 5. The electric or natural gas vehicle facility must comply
27 with any applicable federal and state standards and the latest
28 applicable and available A.S.T.M. international specifications.

29 6. The electric or natural gas vehicle facility tax credit
30 may be claimed by a person on a commercial or residential
31 basis.

32 a. A person may claim the tax credit on a commercial basis,
33 if the electric or natural gas vehicle facility is part of a
34 business selling qualified electricity or compressed natural
35 gas on a retail basis, or may claim the tax credit if the

1 electric or natural gas vehicle facility is used by a business
2 for its own vehicle fleet or employees. The tax credit must
3 be taken in equal installments in three consecutive tax years,
4 beginning with the tax year in which the electric or natural
5 gas vehicle facility is placed in service. If any part of
6 the electric or natural gas vehicle facility is taken out of
7 service and not immediately replaced, the tax credit expires
8 and the taxpayer cannot take any remaining installment of the
9 tax credit.

10 *b.* A person may claim the tax credit on a residential basis,
11 if the electric or natural gas vehicle facility is part of a
12 home or farm and is used for personal, family, household, or
13 farm use. The entire amount of the tax credit must be claimed
14 in the tax year in which the electric or natural gas vehicle
15 facility is first placed in service.

16 7. Any tax credit in excess of the taxpayer's tax liability
17 shall be refunded. In lieu of claiming a refund, the taxpayer
18 may elect to have the overpayment shown on the retail dealer's
19 final, completed return credited to the tax liability for the
20 following tax year.

21 8. An individual may claim the tax credit allowed a
22 partnership, limited liability company, S corporation, estate,
23 or trust electing to have the income taxed directly to the
24 individual. The amount claimed by the individual shall be
25 based upon the pro rata share of the individual's earnings of
26 the partnership, limited liability company, S corporation,
27 estate, or trust.

28 9. A person shall not claim a tax credit under this section
29 for an electric or natural gas vehicle facility that was placed
30 in service on or after January 1, 2015. However, a person
31 claiming the tax credit on a commercial basis who placed the
32 electric or natural gas vehicle facility in service prior to
33 January 1, 2015, may continue to claim the tax credit for
34 tax years ending on or after January 1, 2015, as provided in
35 subsection 6, paragraph "a".

1 10. This section is repealed on January 1, 2019.

2 Sec. 2. Section 422.33, Code 2011, is amended by adding the
3 following new subsection:

4 NEW SUBSECTION. 11D. The taxes imposed under this division
5 shall be reduced by an electric or natural gas vehicle facility
6 tax credit for each tax year that the taxpayer is eligible to
7 claim the tax credit under this subsection.

8 a. The taxpayer must claim the tax credit on a commercial
9 basis or residential basis in the same manner as provided
10 in section 422.11Y. The taxpayer must claim the tax credit
11 according to the same requirements, for the same amount, and
12 for the same period as provided in section 422.11Y. The amount
13 of the tax credit shall be calculated in the same manner as
14 provided in section 422.11Y. A taxpayer claiming a tax credit
15 on a commercial basis is subject to the same penalty for taking
16 the electric or natural gas vehicle facility out of service as
17 provided in section 422.11Y.

18 b. This subsection is repealed on January 1, 2019.

19 Sec. 3. EFFECTIVE DATE. This Act takes effect January 1,
20 2012.

21 Sec. 4. APPLICABILITY. This Act applies to tax years
22 beginning on and after January 1, 2012.

23 EXPLANATION

24 This bill creates an electric or natural gas facility
25 tax credit for persons who construct, install, and place in
26 service a facility that stores, dispenses, dries, and meters
27 electricity and compressed natural gas. The amount of the
28 tax credit is 30 percent of the cost of purchasing and of
29 installing the facility. A person may claim the tax credit
30 on a commercial (as a retailer) or residential basis (for
31 personal, business, or farm use). A person claiming the tax
32 credit on a commercial basis must claim one-third of the tax
33 credit for each of three tax years. Any tax credit in excess of
34 the taxpayer's tax liability is refundable or may be used in
35 calculating a future tax liability.

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1 The tax credit applies to tax years beginning on and after
2 January 1, 2012. The taxpayer must place the facility in
3 service before January 1, 2015, but may claim the tax credit
4 for a previous installation after that date. The bill's
5 provisions are repealed on January 1, 2019. The bill takes
6 effect on January 1, 2012, for tax years beginning on or after
7 that date.